

Progress Report on Critical Ongoing Initiatives

The following is a brief progress report on initiatives outlined in previous Capital Improvements Plans. While there are a number of ongoing initiatives, the following are the most critical to the Capital Program's overall financial and programmatic health. The highlighted initiatives include:

Critical Ongoing Initiatives
Facility Condition Assessment Study
New Financial Management System (SOAR)
Capital Improvement Program Assessment
Performance Measurement

Facility Condition Assessment Study

The Facility Condition Assessment is a systematic process of conducting a physical audit of site and building systems. It identifies the existing physical condition and functional performance of buildings, as well as maintenance deficiencies. From the information collected during the audit, capital renewal and replacement requirements can be estimated for individual projects and annual forecasts. The assessment provides a basis for decision-making on routine maintenance, renovations and capital projects.

At the conclusion of this study, the Office of Property Management will develop and implement an enterprise-wide automated planning and management system that the District will use to organize, manage and maintain its land and facilities data in a manner consistent with the private sector.

The goals of the Facility Condition Assessments are:

- Improved resource utilization
- Lower operating costs
- Energy conservation
- Improved Maintenance
- Prolonged Asset life

Thus far, the District has captured information about 14 such buildings. They are, McMillan Park Annex 8 Facility, McMillan Park Annex 9 Facility, Bond Bread Building, D.C. National Guard Armory Building, D.C. Warehouse facility, The Fire Alarm Headquarters, Firth-Sterling Facility, The old Juvenile Court, One Judiciary Square Building, Randall Building, The Recorder of Deeds Building, Frank D. Reeves Center, The Southwest Health Center and The Shepherd Parkway Facility.

The assessment will capture information on all aspects of a building's condition. The reports generated in the building audits will form the basis for the upgrade and replacement of the District's vast property inventory that includes 48 million square feet of space in 2,800 buildings

New Financial Management System (SOAR)

In FY 1999 the District of Columbia implemented a new and very sophisticated Financial Management System called the System of Accounting and Reporting (SOAR). This new Financial Management System replaced the antiquated system that no longer served the financial needs of the District. Implementation of SOAR has been very challenging thus far the benefits in terms of fiscal accountability far outweigh the cost. However, there remains some challenges, and aggressive efforts are underway to meet these challenges.

Accounting for project costs is an important activity at the state and local levels. Accounting for projects provides reports on accumulated expenditures, revenues, budgetary information and related statistical data independent of the organization, program, object class and appropriated fund. The capability allow costs to be controlled, reported and billed with or without regard to fiscal year and is used by all capital projects. Statistical information on capital projects are accumulated and captured in SOAR through the use of project numbers, and project phases, each with its own unique classification structure.

Nevertheless, there remain certain challenges that still must be met. In some instances the establishing of functional data elements may have been overlooked during the initial conversion of the system. As with implementing any new system, training staff is a priority.

Without properly trained staff, agencies are unable to fully utilize the capability of the system and productivity is significantly reduced. Furthermore, during the implementation of the capital classification structure, several elements were late in the development process and delayed the importing of data needed for reporting purposes. However, it remains our commitment to correct these problems. The citizens of the District of Columbia expect and deserve a Financial Management System that provides financial accountability, fiscal control and greater analysis for management oversight.

Capital Improvements Program Management Assessment

In order to help District agencies assemble a strong CIP and manage it proficiently, there needs to be a comprehensive review of the program policies and strategies developed to expand on service delivery and program efficiency. To improve the CIP's performance, the District is initiating a comprehensive study of the Capital Program. The study will be used to improve the link to its customers (City Agencies) and stakeholders (DC Council, Congress, and the Citizens of the District of Columbia).

The purpose of the study is to:

- Conduct a complete assessment of the Capital Improvement Program, for both financial and management components.
- Develop a comprehensive CIP database for the District with the capability for extracting individual agency information along with wide-ranging up to date reporting capabilities.
- Evaluate the procurement action lead times for agency CIP's, and provide a flow chart for each agency's acquisition process.
- Identify inefficiencies and bottlenecks that prevent proper project implementation. Provide a statistical analysis of each agency's success rate and recommend corrective actions.
- Develop strategies and recommend solutions to facilitate efficient project and program management.

It is most likely that as the result of this assessment, a complete revision of the CIP will be necessary to bring about a successful and effective program to help the District build a strong capital portfolio.

Performance Measurement

While formulating the FY 2001 capital budget, The District continued working to develop a new performance measurement system. The District made progress in developing and implementing performance measures relating to agency financial efficiency. At the end of each month, agency CIP managers and Directors receive a comprehensive Financing Balances Report which measures performance of their CIP by calculating important financial indicators such as:

- Percentage of agency available funds unobligated
- Agency funds expended as a percentage of total funding available

This information was critical in the development of the FY 2001 CIP. It was used as one of the primary justifications for including or excluding projects in the 2001 Capital Improvements Plan.

There are two primary challenges facing the District:

1. Providing desired and necessary services at affordable cost
2. Reassuring taxpayers that their resources are well spent

Performance measures (and the appropriate use of benchmarks) play a major role in meeting these challenges. They help government officials and citizens identify program results, evaluate funding levels, improve service delivery, and communicate accomplishments.

While percentage of agency available funds unobligated and agency funds expended as a percentage of total funding available was a major step forward in measuring performance leading to stronger accountability and fiscal discipline, more is needed.

The remainder of this section introduces the new indicators to measure efficiency and effectiveness of District agencies in managing their Capital Programs. Effective June 2000 all city agencies will report on the following indicators on a semi annual basis. Based on these reports, the CIP program will hold each agency head responsible in expending their project yearly allotments, and to complete their projects in a timely fashion according to the established plan. At each capital budget oversight meeting agency directors will be asked questions based on the performance of their agency CIP, and corrective measures will be recommended and the results will be noted.

Key Principles for the Capital Program in Performance Measurement

In proceeding with its performance measurement plan, the Capital Program has established a set of "ground rules" for its efforts are as follows:

- The Capital Program will mandate outcomes, not processes.
- The Capital Program will measure only what's important.
- The Capital Program is willing to change measures as long as they benefit the performance process.

- The Capital Program will seek to benchmark against the best in class, not just the best in government.
- The Capital Program will give responsibility, as well as accountability, for meeting measures to the same individual.
- The Capital Program will measure the performance of the District's capital projects.

Financial and programmatic performance measures can be developed and used as an important component of decision-making and incorporated into the capital program. Performance measures should be SMART:

- S trategic
- M easurable
- A ttainable
- R eliable
- T imeline-based

Beginning in June of 2000, agencies will be required to report (semi annual report) on the inventory of their capital assets:

Agency Building Inventory

- Inventory Agency Capital Assets and a brief description and physical location of each asset
- Age of each capital asset
- Estimated value of the Capital Asset
- Geographic location (Ward Indicator)
- Occupancy status
- What programs are these facilities supporting
- Net and Gross Square Feet per building
- Number of customers that use this building annually
- Number of staff that work in the facility daily
- Whether or not the building is on a routine maintenance schedule

The following will be the new indicators of the performance of agency CIP. At the semi annual CIP assessment meetings, the CIP directors will be asked to report on the following:

1. Agency Project Status

- Status of each agency CIP projects
- Number of Completed Projects
- Number of Closed Projects
- Number of requested reprogramming per agency
- Number of requested redirections per project
- Number of projects with negative budgets
- Per Square Foot cost of each projects (New Construction, Renovations, Addition, Site Improvement etc.) completed

Districts Capital Program's Performance Measurement Plan:

Historically, the Capital Program has not reported input and output measures in the budget documents. The performance measurement plan being articulated is the first introduction of performance measures for the District's Capital Program. It consists of three timeframe stages (short, intermediate, and long) based on three items. It is presented in the following table.

Performance Measurement Plan Timeframe Stages			
Item	Short	Intermediate	Long
Goal	Continue developing additional measures for the FY 2002 to FY 2007 CIP and FY 2002 Capital Budget	Collect and report performance data on a quarterly basis	Use performance data to develop the FY 2002 to FY 2007 CIP and FY 2002 Capital Budget
Time Period	Present – June, 2000	June, 2000 – June, 2001	On going

FY 2001 to FY 2006 Capital Improvements Plan and FY 2001 Capital Budget			
Activities	<ul style="list-style-type: none"> ■ Develop draft measures with the Department of Public Works ■ Present initial performance measures to agencies during FY 2000 ■ Receive feedback from implementing agencies 	<ul style="list-style-type: none"> ■ Train District employees in performance measurement ■ Develop accurate baseline of current capital performance ■ Report findings in FY 2001 to FY 2006 CIP and FY 2001 Capital Budget 	<ul style="list-style-type: none"> ■ Continuously improve upon current performance ■ Develop a performance based capital budget ■ Deliver performance reports to Congress and District Council ■ Incorporate citizen input

The ultimate objective is to foster a performance based Capital Program, one which values efficiency, effectiveness, and service delivery results as key indicators of how well the Capital Program serves the citizens. In the future, the performance measurement system will incorporate citizen input into the process.